

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 2618**

**STATE OF NEW JERSEY**

DATED: FEBRUARY 3, 1997

The Assembly Appropriations Committee reports favorably Assembly Bill No. 2618.

Assembly Bill No. 2618 requires the State Health Benefits Commission to ensure that any enrollee or member under the State Health Benefits Program (SHBP) who is enrolled in a health maintenance organization (HMO) or the NJ PLUS plan (the SHBP's preferred provider plan) and whose primary care physician is to be terminated from the provider network shall be provided with 90 days' advance notice of the termination. If such notice cannot be provided because the termination will occur before the end of the 90-day period, the HMO or NJ PLUS is to notify the enrollees or members as soon as it has knowledge of the termination. Upon receiving notification, the covered person shall be permitted to change coverage to another health benefits plan, even if the physician's termination occurs outside of the annual open enrollment period.

The notice requirement is to be applicable to each contract that the State Health Benefits Commission purchases on or after the date on which the bill takes effect as law.

**FISCAL IMPACT:**

This bill may create additional administrative costs to the Division of Pensions and Benefits. However, the division already allows coverage change outside of the annual open enrollment period for change in status. The costs should be able to be absorbed by the division unless the frequency of terminating primary care physicians from networks becomes voluminous.